

P & N Machine Co., Inc.

12450 Windfern • Houston, Texas 77064 • PH (281) 469-9140 • FAX (281) 469-6100
www.pandnmachine.com • E-MAIL: info@pandnmachine.com

FAR Flow Down

Buyer is required to include the FAR clauses listed below, for purchase orders at any tier. These clauses are incorporated by reference herein and SELLER specifically agrees that they shall have the same force and effect as if printed in full text. However, the parties agree that Seller is only bound to follow those FARs that are made applicable based on the value of the particular purchase order. Full text of the clauses may be accessed electronically at this address: <https://www.govinfo.gov/>.

The following FAR clauses flow down, as applicable:

- (i) 52.219-8, *Utilization of Small Business Concerns (May 2004) (15 U.S.C. 637(d)(2) and (3))*.
- (ii) 52.222-26, *Equal Opportunity (Apr 2002) (E.O. 11246)*.
- (iii) 52.222-35, *Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) (38 U.S.C. 4212(a))*;
- (iv) 52.222-36, *Affirmative Action for Workers with Disabilities (June 1998) (29 U.S.C. 793)*.
- (v) 52.222-39, *Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) (E.O. 13201)*.
- (vi) 52.247-64, *Preference for Privately Owned U.S.-Flag Commercial Vessels (Apr 2003)(46 U.S.C. Appx 1241 and 10 U.S.C. 2631)*.
- (vii.) *Service Contract Act of 1965, as Amended (MAY 1989).#*

The following DFAR clauses also flow down, as applicable:

- (i) 252.225-7007 - *Prohibition on Acquisition of United States Munitions List Items From Communist Chinese Military Companies*
- (ii) 252.225-7009 - *Restriction on Acquisition of Certain Articles Containing Specialty Metals*
- (iii) 252.204-7008 - *Requirements for Contracts Involving Export-Controlled Items*
- (iv) 252.225-7001 - *Buy American and Balance of Payments Program*
- (v) 252.225-7006 - *Quarterly Reporting of Actual Contract Performance Outside the United States*
- (vi) 252.225-7013 - *Duty Free Entry*
- (vii) 252.225-7016 - *Restriction on Acquisition of Ball and Roller Bearings*
- (viii) 252.225-7021 - *Trade Agreements*
- (ix) 252.225-7033 - *Waiver of United Kingdom Levies#*

OTHER SUPPLIER FLOWDOWNS

GENERAL

By acceptance of this PO, Seller certifies that it is not debarred, suspended, or recommended for debarment. Seller also agrees to abide by all ITAR requirements that arise from any purchase order. Seller agrees to notify Buyer of changes to processes, products, services, leadership, or manufacturing facilities that may adversely affect the quality or on-time delivery of purchased product or services. In cases of such changes, Seller will obtain Buyer's approval before proceeding.

P & N Machine Co., Inc.

12450 Windfern • Houston, Texas 77064 • PH (281) 469-9140 • FAX (281) 469-6100
www.pandnmachine.com • E-MAIL: info@pandnmachine.com

CERTIFICATE OF CONFORMANCE, COUNTERFEIT AND NONCONFORMING PARTS

Seller agrees to complete a Certificate of Compliance per the PO and agrees that it will only sell products from Original Component Manufacturers (OCM), Original Equipment Manufacturers (OEM), or through an OCM/OEM authorized distributor chain. Seller will not sell products from an independent distributor or broker unless approved in advance in writing by Buyer. The Seller will have sufficient controls in place to prevent the sale and use of counterfeit parts. The seller also agrees that it will give the buyer notification of any non-conforming product that will be sent to P & N Machine Company, Inc. The seller agrees to obtain approval for the disposition of non-conforming product from P & N Machine Company, Inc.

RIGHT OF ACCESS

During performance on this order, the seller's quality control, inspection system, and manufacturing processes are subject to review, verification and analysis by authorized P & N Machine Company, Inc. customer representatives. P & N Machine Company, Inc. customer inspection or release of product prior to shipment is not required unless you are otherwise notified.

PERSONNEL COMPETENCY AND AWARENESS

The Seller will ensure that only competent personnel will conduct the processes prescribed on the Purchase Order. Seller will also ensure that all personnel involved in the realization of the Purchase order are made aware of their contribution to product and process conformity, safety, and the overall importance of ethical behavior in the workplace. The Seller will retain records to validate competency, qualification, and awareness, as applicable.

SUB-TIER SUPPLIER CONTROL AND REQUIRED TRACEABILITY AND DOCUMENT RETENTION

The Seller will flow down all relevant controls, requirements and specifications to all sub-tier suppliers to ensure product and/or process conformance. All documentation related to traceability of material origin, product realization, and compliance verifications generated to complete this Purchase Order must be maintained and accessible to P & N Machine Company, Inc. upon request for a period of not less than 5 years.